

Safety & Environmental Enforcement, Interior

§ 250.125

- (1) Enhance recovery;
 - (2) Prevent flaring of casinghead gas;
- or
- (3) Implement other conservation measures approved by the Regional Supervisor.

§ 250.119 [Reserved]

§ 250.120 How does injecting, storing, or treating gas affect my royalty payments?

(a) If you produce gas from an OCS lease and inject it into a reservoir on the lease or unit for the purposes cited in § 250.118(b), you are not required to pay royalties until you remove or sell the gas from the reservoir.

(b) If you produce gas from an OCS lease and store it according to 30 CFR 550.119, you must pay royalty before injecting it into the storage reservoir.

(c) If you produce gas from an OCS lease and treat it at an off-lease or off-unit location, you must pay royalties when the gas is first produced.

§ 250.121 What happens when the reservoir contains both original gas in place and injected gas?

If the reservoir contains both original gas in place and injected gas, when you produce gas from the reservoir you must use a BSEE-approved formula to determine the amounts of injected or stored gas and gas original to the reservoir.

§ 250.122 What effect does subsurface storage have on the lease term?

If you use a lease area for subsurface storage of gas, it does not affect the continuance or expiration of the lease.

§ 250.123 [Reserved]

§ 250.124 Will BSEE approve gas injection into the cap rock containing a sulphur deposit?

To receive the Regional Supervisor's approval to inject gas into the cap rock of a salt dome containing a sulphur deposit, you must show that the injection:

(a) Is necessary to recover oil and gas contained in the cap rock; and

(b) Will not significantly increase potential hazards to present or future sulphur mining operations.

FEES

§ 250.125 Service fees.

(a) The table in this paragraph (a) shows the fees that you must pay to BSEE for the services listed. The fees will be adjusted periodically according to the Implicit Price Deflator for Gross Domestic Product by publication of a document in the FEDERAL REGISTER. If a significant adjustment is needed to arrive at the new actual cost for any reason other than inflation, then a proposed rule containing the new fees will be published in the FEDERAL REGISTER for comment.